BUDGET DIALOGUE 2012: LIVING WITHIN OUR MEANS

Report on Results

Northwest Territories Finance

Kīspin ki nitawihtīn ā nīhīyawihk ōma ācimōwin, tipwēsinēn.

Cree

Ɂerihtł'ís dëne sųłiné yati t'a huts'elkër xa beyéyati theɔa ɔat'e, nuwe ts'ën yółti.

Chipewyan

If you would like this information in another official language, call us.

English

Si vous voulez ces renseignements en français, contactez-nous.

Français

Jii gwandak izhii ginjìk vat'atr'ijąhch'uu zhìt yinohthan jì', diits'àt ginohkhìi.

Gwich'in

Hapkua titiqqat pijumagupkit Inuinnaqtun, uvaptinnut hivajarlutit.

Inuinnaqtun

ᑕᒃᑯ ᑎᑎᖅᑲᐃᑦ ᐱᓕᒍᐱᒋᑦ ᐃᓄᒃᑎᑐᓪᓗᓕᔭᑎᒃ, ᐅᖃᖅᑎᐅᓄᑦ ᐅᖄᓗ ᓱᓇᖅᑐᑎᑦ.

Inuktitut

UVANITTUAQ ILITCHURISUKUPKU INUVIALUKTUN, QUQUAQLUTA.

Inuvialuktun

K'éhshó got'ıne xədǝ́ k'é hederi ɔedıhtl'é yeriniwę nídé dúle.

North Slavey

Edi gondı dehgéh got'ıe zhatié k'ǫ́ǫ́ edatł'éh enahddhę nide.

South Slavey

Thıchǫ yati k'ǫ̀ǫ̀ dè wegodìı wek'èhoızǫ nǫ̀ǫwǫ dè, gots'ǫ̀ goahde.

Thıchǫ

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MINISTER'S MESSAGE

Budgeting; finding a balance between competing expenditure priorities and limited revenue-raising ability is never easy. It is made more difficult when revenue growth is slowing and the pressures for services continue to increase. As a government, we have taken steps to protect our existing programs and services while committing to a fiscal plan that emphasizes living within our means.

Living within our means requires making tough choices; it means choosing what is the most important to us; it means acknowledging that we can't fund everything; and, it means being aware that the choices we make now have consequences for the future. The seriousness of these choices is why this fall we took the discussion to NWT residents and I travelled to the seven regional centres to ask Northerners to share their priorities and opportunities for doing things differently. I sincerely thank everyone who participated.

This report on the 2012 Budget Dialogue summarizes how the participants see the GNWT allocating scarce funds and marshalling resources from existing programs and services to new priorities. It reflects the diversity of views and the common challenges we heard across the territory.

Some of what we heard mirrors actions this government is already taking; other ideas will require more consideration and discussion. This summary report is the first step, and will be a good gauge on initiatives and directions taken in the upcoming 2013-14 Budget. Much of what Northerners suggested has been echoed by MLAs during our budget process, so I'm confident the next budget will make progress in reflecting the priorities and ideas provided by Northerners in this Budget Dialogue. Going forward, this input will be used to inform future budget planning processes.

Next year, I look forward to even greater engagement by Northerners. The Budget is the mechanism through which this Assembly's vision of strong individuals, families and communities sharing the benefits and responsibilities of a unified, environmentally sustainable and prosperous Northwest Territories will be achieved, and the participation of NWT residents in the budget process is vital to its success.

Hon. J. Michael Miltenberger
Minister of Finance

BUDGET DIALOGUE 2012 PROCESS

A. Context for Budget Dialogue 2012

The Government of the Northwest Territories (GNWT) has set out a fiscal strategy that protects programs and services while ensuring sustainable debt levels. The strategy is simple: expenditure growth must be kept below the growth in revenues so that sufficient operating surpluses are generated to pay for at least half of the annual capital investment.

While this fiscal strategy is not new, the challenge is greater. The key issue is that revenue growth is projected to average 2.7 per cent over the life of the 17th Assembly. Consequently the GNWT will need to keep operating expenditure growth very modest, at about half of what it has been over the past decade. Since 1999-00, annual growth in GNWT operating expenditures has averaged 5.8 per cent. The current revenue projections mean that 2 per cent annual growth in expenditures is fiscally sustainable; which is about $30 million on a $1.4 billion budget for programs and services.

This means reallocating money from elsewhere to fund new programs, making current programs more efficient, reviewing current programs to evaluate whether they are effective, and not investing in new large capital projects, unless surpluses are adequate to cover the extra investment.

The Budget Dialogue with Northerners engages residents and businesses in the Government's budgeting process to get their views on these fiscal choices, where they see opportunities for reducing costs, and what they see as priorities for reinvestment of those savings.

B. Budget Dialogue 2012 Process

The Budget Dialogue 2012 process took place from September 10, 2012 to October 24, 2012. Facilitated meetings in the seven regional centres were held in the evenings to maximize participation from individuals, families and businesses. In partnership with the NWT Association of Communities, community representatives were invited to attend regional meetings. In addition to the meetings, feedback was sought through email or mail. A plain language summary of the fiscal situation and questions to guide feedback was published: *Budget Dialogue 2012: Living within our Means*).

In order to garner maximum participation, the process was widely advertised, including print advertising in seven territorial and regional newspapers, radio advertising, Facebook, GNWT Bearfacts employee newsletter, the NWT Chamber of Commerce fax list, and posters.

C. Budget Dialogue 2012 Format

Each Budget Dialogue meeting began with opening remarks by the Minister, a brief context-setting presentation from a Department of Finance representative, followed by an explanation of parameters and process of the Dialogue by the facilitator. As a way to set a visual context for the discussion participants were shown 11 towers built of different coloured Lego blocks representing 11 GNWT program areas (See Appendix). The Lego towers were built to approximate the relative size of spending in each area. Each tower was accompanied by a brief description of what types of programs and services each grouping contained.

From that point, participants were invited to engage in a three-step process:

1. Remove up to 10 Lego blocks from any tower(s) where they saw the potential to save money. This exercise was followed by a discussion of those choices.

2. Re-invest their blocks according to their spending priorities. This exercise was followed by a discussion of those choices.

3. Discuss in more detail the program areas that "lost" or "gained" the most blocks to better understand participants' thoughts on what efficiencies can be found and what investments are required.

BUDGET DIALOGUE 2012 RESULTS

Over 130 people participated in seven regional meetings and nine individuals and organizations submitted suggestions and feedback by email or paper submissions. Their feedback has been incorporated into the synthesis of results in the following sections.

Community	Date	Estimate of Participants
Inuvik	September 17, 2012	~40
Norman Wells	September 18, 2012	6
Fort Simpson	September 19, 2012	~12
Fort Smith	September 24, 2012	14
Hay River	September 25, 2012	28
Yellowknife	October 23, 2012	25 to 30 at different points
Behchokǫ̀	October 24, 2012	7

Participation in the meetings and the submissions ranged from individual citizens who wanted to share their personal experiences with GNWT programs and services and offer suggestions for improvement to members of organized groups such as the Union of Northern Workers, who put forward comments and recommendations in support of their organization's mandate and priorities.

While some common themes emerged that will be highlighted below, there was also a diversity of views both between regions and individuals. For example, the environment program area attracted attention in several meetings but from different perspectives. In Inuvik, Norman Wells, and Fort Simpson, it was associated with slow regulatory processes that inhibit economic development, whereas some participants in Yellowknife and one submission spoke about the importance of the environment to the health of residents and the future of the territory. Similarly, while culture and heritage did not receive much emphasis in other regional centres, in Yellowknife several participants advocated heavily for increased investment in the area and seemed to view culture as the "arts" whereas the other regions appeared to view culture in the sense of a set of beliefs and values. At the individual level participants often spoke from a very personal perspective, drawing on their experiences with "the system" as clients or as service providers to pinpoint opportunities for cost savings.

The goal of the budget dialogue was not to reach consensus but instead to hear what Northerners wanted to tell the Minister about the GNWT budget. The following summary of the results begins with a brief discussion of common themes, followed by more detailed summaries of perspectives within program areas. The results are presented in the way the meetings were conducted: first, opportunities to find efficiencies and savings, followed by where those savings need to be reinvested. Results are organized by direct program and service delivery spending areas, although some recommendations may implicate one or more areas and participants often identified the interconnectedness of program areas

A. Overarching Themes

Duplication

Discussions on opportunities for cost savings produced recurring themes of program duplication and lack of coordination. Participants repeatedly noted that reducing program duplication and integrating services, particularly in areas such as health, education and social programs, would reduce costs as well as improve effectiveness.

> *"The reality is there are so many opportunities to integrate services. I understand there are rules and regulations and reasons why, but if we can creatively look for ways to get around the bureaucracy we can find ways to be more efficient."*

> *"I think it's worth observing that a lot of those programs have a lot of overlap and a lot of synergies but bureaucratically they are divided up and the right hand doesn't talk to the left hand and they are dealing with the same people and they are doing some of the same things but in different ways. It's counterproductive."*

Some participants noted that health, social and education programs operating in silos were often dealing with the same clients and there needed to be less segregation and a more holistic approach.

Duplication of efforts was also noted within programs. Some participants saw some programs duplicating past work in studying issues, strategies and other reports. They saw opportunities for cost savings in reusing existing information or studies rather than starting over.

Redeployment of Funds within Programs

Frequently during the exercise people re-invested their blocks in the same program areas that they had removed them from, particularly in health, education and social programs. Participants explained that they didn't want to see spending cuts in that area, they simply wanted to see available funding used more efficiently to allow for additional investments. The single most frequently mentioned example of this was medical travel. Citing numerous examples of unnecessary travel or ineffective scheduling, participants urged the GNWT to look at improvements in the administration of the program. Many also saw an opportunity to reduce demand for medical travel through concerted efforts to increase the delivery of services directly in communities through innovative or improved staffing and better use of technology.

Prevention

A common theme at every meeting was that an 'ounce of prevention was worth a pound of cure'. Many participants focussed on investments that they perceived would yield cost savings, especially over the longer term, in other areas. One of the main examples was a call for more and better investment in early childhood education, which would provide better futures and opportunities for these children and reduce demand for social and other services later in life. Investments in the treatment of mental illness and addictions were promoted to help individuals with the added benefit of reducing justice, public safety, and social program costs. The theme of investing in prevention also emerged in discussions on infrastructure investment, where investment in preventative maintenance of existing assets was seen as reducing some of the need for new capital.

B. Opportunities for Efficiencies

Health

Health was cited by most participants and submissions as an area where there were opportunities for savings. Most suggestions for cost reduction focused on improving the administration of medical travel, using strategic staffing and technology to reduce medical travel, and investing in healthy lifestyles.

Medical travel was targeted by a large number of participants for potential savings. Some had personal experiences with costly and seemingly unnecessary medical travel, while others cited potential for abuse of the system:

> *"I have some of my own experiences with medical travel with, as far as I'm concerned, some very unnecessary trips to Edmonton. I didn't need to go down there to hear what was told to me. It could have been communicated another way."*

> *"It's bad enough that I have to travel to Yellowknife for medical reasons. It's even worse when I get there only to find out the appointment has been cancelled."*

> *"Medical travel needs to be supported but the government needs to be vigilant about abuse of the privilege."*

Ideas for reducing cost of medical travel included: competitive tendering processes for travel contracts; reducing per diems for infants and children; better scheduling practices to avoid multiple trips and long stays; checks and balances that reduce cancellations and missed appointments; and, coordinating a patient's medical appointments while on medical travel.

> *"There should be a standing rule that you must schedule patients from communities from Tuesday to Thursday so they don't need to travel over weekends."*

> *"There has to be a way to connect appointments. If someone needs to see three specialists, their chart is there, there should be a way to arrange it so that they can have all their appointments in one day and come back that evening."*

> *"It is ridiculous that babies and children under the age of 12 receive the full meal allowance and incidental amounts as adults do."*

Many participants also saw opportunities to cut costs by reducing the need for medical travel through strategic staffing and other approaches that would provide more health care services within communities. One participant explained that because the position of a dialysis technician in one community was only part time, it had not been filled. As a result three people now fly to Yellowknife three times a week for their treatment. Participants asked if medical travel could be reduced through more innovative staffing strategies, such as blending or sharing of positions so that the service could be provided in the community.

Some observed that even in bigger centres like Hay River, locally-based procedures such as deliveries and caesarean sections are no longer available. They suggested increasing the use of midwives could be a solution to doing more deliveries in communities.

> *"Years ago, Hay River was fully functional. We were able to do caesarean sections and deliver babies in Hay River. Why has it stopped? One of the reasons I see is there is no physician who can do these anymore. Let's recruit, let's get these going."*

Others pointed out that in some instances it may be cheaper to send the specialists or technicians to communities than to pay travel for multiple residents on a regular basis. A participant from Ulukhaktok noted that many pregnant women have to travel out for prenatal services at great expense:

> *"Years ago they used to have the ultrasound technician go to the communities herself and perform the ultrasounds instead of having 8-10 ladies travel out every few months. The ladies say that used to work much better."*

Some participants also indicated a need to have more or make better use of existing resources, rather than flying people out of territory. For example, some suggested that existing addictions facilities in Hay River and Yellowknife are not being fully utilized.

> *"We need to keep people in the North to get the treatment that they need. That could be a cost-saving measure."*

Information technology was also seen by many as offering opportunities to reduce medical travel and cut costs. Using teleconferencing tools for pre- and post-operative appointments, consultations with mental health and addictions professionals, and improving electronic medical records were some specific suggestions offered. It was recognized that there are some infrastructure challenges (eg. bandwidth) to increasing use of information technology in the NWT and that some front-end costs could be required.

Several participants identified the need to reduce the money spent on importing health-care staff from the South because it is costly and because short-term staff do not contribute to the local economy and the community.

> *"We are bringing in nurses or locum staff for two weeks, or maybe a three week period of time, but then they go back to their own home community. They are not usually giving anything back to the community. I think if we would try and establish nurses that would stay in the community, it would be a lot better for the communities and it would save the government a lot of money."*

Some participants noted that a strategy is needed to keep health workers longer, hire more nurse practitioners to reduce the need for more expensive general practitioners, and consider alternative or creative ways of addressing the need for medical practitioners.

> *"I know that switching from locums to permanent health care staff in my community won't happen overnight. But I'd like to see a strategy in place that explains what the plan is to make it happen over time."*

One submission was concerned that escalation of physicians' salaries was out of line with those in Canada and was contributing to growing health costs:

> *"I believe that the Territories has become a cash cow for the medical profession and that a lid must be put on this drain. As Jeffrey Simpson in Chronic Condition has pointed out: "Canada's health-care system is a Chevrolet at Cadillac prices". Going forward please cap increases to the inflation rate."*

Investment in preventative medicine and greater emphasis on encouraging healthy lifestyles was noted by a few participants as a way to reduce the costs of treating preventable illnesses such as diabetes. One participant suggested that unhealthy behaviours could be discouraged through targeted taxes (e.g. sugar tax). Conversely, another participant wondered if the GNWT could do more to improve access to good foods in remote communities. Some participants emphasized that personal responsibility and accountability for health is key to saving money.

> *"People are not taking responsibility for their actions. Health will continue to be a money pit if people don't take accountability for their own health."*

It was also suggested that there should be a requirement to pay into an insurance fund for anyone who has high-risk behaviours like smoking, drinking and drug use, as well as an insurance model for supplementary health care where people invest earlier in life so they are covered when they need it.

Concern was also voiced about the costs of non-residents using NWT addresses in order to maintain NWT health cards and access NWT health. Some participants noted the need to look at approaches being taken in other jurisdictions to save money; specifically, expanding the services pharmacists can deliver to patients.

> *"Why can't a pharmacist prescribe something for a sore throat for example, rather than having to see a doctor first? This is already happening elsewhere in Canada and in Europe."*

Bulk purchasing of pharmaceuticals at cheaper prices was also suggested, as well as allowing online purchases of eyewear to be reimbursable by the GNWT under the Extended Health Benefits Program.

Education (K-12)

Education spending, especially on early childhood programs, was a key priority for many people, with an emphasis on taking care of each individual's needs from the earliest age to reduce the amount the GNWT would need to spend in other program areas (particularly social programs, and adult education and employment training). In most sessions participants emphasized that no funds should be taken out of education, but instead saw better ways to allocate funding within basic education.

Several participants directly involved in education had specific suggestions on how money in education could be spent more efficiently and effectively. The duplication and/or splitting of services critical to a child's development across more than one program or department were noted as key areas to look for efficiencies.

"In early childhood development and education, is there a way we can have more partners and work together to make things more effective? There are little pots of money in separate areas and there is duplication in areas like speech therapy that is in health but they need it in education as well."

Lack of autonomy in managing funding within the education system was flagged as a barrier to efficiency. One participant suggested that there needs to be flexibility provided to move funding where it's needed most and that this flexibility is required right down to the school level. Another participant noted that teachers are being brought in from other provinces to staff community schools, which costs the system more. It was also suggested that costs could be reduced by holding professional development for teachers outside of the regular school year.

Several participants thought that schools are working fine, and while cuts were unnecessary, the effectiveness of current spending could be improved by tackling attendance issues. One person suggested that income support should be tied to the client's children's attendance in school.

"We already have a quality education system. Now we need to make sure that the students are there to take advantage."

Education (Post-Secondary)

Much of the discussion on post-secondary education focussed on the increased costs to the system because too many students graduating from the K-12 system are unprepared for post-secondary education. A common complaint was that too many people are upgrading at the post-secondary level; one participant estimated that more than half of Aurora College business in their region was students upgrading.

"Our kids are graduating from high school, but they have to spend 2 years upgrading before they can go to university. We need to do a better job of preparing them for the future."

It was suggested that it's more cost effective to deliver grade 11 and 12 curriculum at the high school level rather than in a post-secondary setting. Some participants noted that to save costs, more students should be encouraged to remain in their communities for upgrading through their local learning centres rather than moving to regional centres to upgrade or for Adult Basic Education.

Other ideas for reducing costs included making better use of existing technology to deliver training programs in communities. One participant noted that three campuses of Aurora College are too many, from a cost effectiveness perspective, given the size of the NWT population.

Social Programs, Housing and Income Support

Several suggestions for efficiencies focused on reducing duplication of services, better case management across programs, and investing in prevention.

"If we had more investment in other areas, we'd need less here."

"Social workers and mental health officers are often working with the same client, but out of seven different buildings. We need to amalgamate and deal with this client in one building; where they can see the professionals at the same time."

"We need to reduce government silos and put the client first."

Duplication in social programs was particularly targeted as an area where partnerships could yield cost efficiencies. It was suggested that the GNWT explore delivering social programs in partnerships with community and Aboriginal governments as well as non-profit groups and other agencies.

However, several participants noted the difficulties in taking a more holistic approach due to barriers to sharing client information between departments or front-line workers. Streamlining program processes, particularly the amount of paperwork needed to apply for a program, was suggested to reduce costs and improve the experience for clients.

Some participants also emphasized the need for more client accountability in order to stabilize costs.

"Power and fuel are two big expenses related to public housing and people living in public housing are not held accountable for the power and the fuel they use. This is something that could be controlled."

Others in the group also raised perceived abuses of subsidies.

"The buildings are being abused. People can at least be expected to take care of the building or property they're renting. Some families are on their third house."

In one community it was suggested the GNWT should reduce its presence in the housing market, selling existing assets that aren't currently in use to private developers, thereby reducing the amount of funding needed for maintenance.

There was some discussion of housing for seniors. One participant mentioned that there are seniors who live in public housing, but this can't be provided for all seniors and is not really sustainable. Another participant indicated that seniors housing is different from low cost housing and noted that seniors bring a lot to the community.

"It's nice to have incentives to keep them here. Yellowknife is not a place you can live on a fixed income very easily."

Justice and Public Safety

Much of the discussions surrounding savings in Justice and Public Safety focused on reducing individual contact with the justice system through investments in education, health, and social programs that support individual wellness. Some suggested that the justice system seems to be the main way that mental health problems are dealt with in the NWT population, and felt this is inappropriate and inefficient.

One participant suggested that house arrest should be explored as an alternative to incarceration, easing the burden on prisons, and actively engaging families in rehabilitation efforts, and reducing costs for social services as well.

> *"The people we are sending to prisons aren't getting better. We're not doing a good enough job of preparing them to re-join their communities. We need to find a better way."*

Reducing supervision of offenders sentenced to community based orders was proposed to reduce costs in the justice area. Being open to more volunteers in the justice system including youth support and counselling was also suggested as a possibility for cutting costs.

Another participant suggested that some inmates, for example those who suffer from FASD, should be diverted from the justice system for minor crimes. Savings from this approach can be reallocated to other areas that can help treat the root cause of the issue.

Culture and Heritage

Culture and Heritage was identified by some groups as an area where opportunities for cost savings existed. Some participants noted that there may be room for efficiencies in the area of culture by combining some of the work already being done within schools with that being done outside or by other organizations.

One participant noted that a great deal of time and resources is spent on translating documents into the official languages of the NWT and proposed that the GNWT investigate whether or not people are accessing translated documents in order to determine whether or not universal translation is necessary. A potentially more cost-effective and efficient approach would be on demand translation.

Other participants saw this as an area where money could be taken to reallocate to other areas:

> *"It's not up to the government. [Promoting and preserving culture] should go back to the families. The government can't be everything to everybody."*

Economic Development

Participants in five of seven regional centres felt that there were opportunities for cost savings in economic development programming. Some participants felt that there was little return on investment in the area of economic development, with one participant noting that economic development should be self-supporting. Another participant specifically saw cost savings in stopping promotion of the non-renewable resource opportunities:

> *"Money spent trying to promote non-renewable resource development is really not particularly necessary. Private industry is clearly capable of invest[ing] its own dollars to determine where non-renewable resources might exist and be extracted for their obvious profit."*

It was also submitted that relative to other economic sectors, employment multipliers are weak for resource development in comparison to spending in housing, education or arts and culture.

Some concerns were also raised about the resources spent promoting large economic projects that never materialized.

Some attendees felt that the GNWT had not maximized returns from the diamond mines, referencing that support "to prop up" otherwise marginal businesses to help support diamond mining takes resources away from other areas that need support. One participant expressed that resource development under devolution should be done differently, such that greater royalties are returned to the territory.

In one community, it was suggested that cost savings could be achieved by changing the focus of economic development from providing grants and loans to supporting new businesses and entrepreneurs through business planning and other assistance.

> *"Under the current system, you get your cheque and you're sent to sink or swim on your own. Economic development is an investment in the people of the NWT, and our government needs to do a better job of looking after that investment."*

Participants in another community were frustrated by what they saw as an endless stream of studies; they preferred cutting funding to studying issues and strategies, and using the money for direct support of economic development.

> *"It seems like we're reproducing the wheel when it comes to Economic Development. We already have studies, yet we spend more money to study what's already been studied. We spend too much time developing papers and in consultation, and less time getting the job done. We need to stop studying and start doing the things that need to be done."*

Support for tourism was another area of economic development that some participants identified could be redistributed. The point was made that the NWT does not have a well-defined tourism "product", nor the infrastructure or preparedness to properly host tourists.

> *"We're always going after more tourists. But we're not educated in how to treat tourists...."*

> *"There is no sense in marketing it if there is no product to market."*

Partnerships were identified as having potential to reduce the need to spend on marketing tourism. Involving the whole community in creating the tourism product, infrastructure, and services that bring tourists in and give them a great experience would be more effective. The development and publishing of *NWT Tourism Explorer Guides* was raised an example of an initiative that may not be working, as increasing numbers of people access information through the Internet. Using summer students in place of seasonal contracted staff was proposed to reduce costs and help bring students back to the North.

Environment

Participants in Inuvik, Norman Wells and Fort Simpson centred their discussion on opportunities for savings in environmental spending on what was perceived as cumbersome environmental regulatory processes. One participant indicated that there is a significant imbalance in the amount of time and effort spent on review and regulation versus investment and development

for projects like the Inuvik-Tuktoyaktuk highway and the Mackenzie Valley Pipeline. Some participants were particularly frustrated with regulatory processes that duplicate past work:

> *"Every time I hear about a new study, it sounds a lot like a study that's already been done. Why do we need to re-create the wheel over and over?"*

Some participants suggested that combining the efforts of the different environmental review boards would streamline the process and create efficiencies. Those that spoke on the regulatory issue felt strongly that review and regulatory processes are hindering development to the detriment of the territory:

> *"All of the red tape in the environmental review process is holding up development. Take care of this problem, and economic development will take care of itself."*

On the other hand, participants in other communities and some written submissions emphasized that spending on the environment should not be cut, noting that the environment is critical to our future and well-being, and has a direct impact on health.

Investment in New Infrastructure

Opportunities for savings in new infrastructure investment were discussed in most meetings. Some suggestions for finding efficiencies focused on better use of local private sector contractors and partners. It was noted that local private business would benefit greatly from infrastructure development, and have a vested interest in seeing projects completed. It was suggested that the GNWT should explore the possibility of joint ventures and public-private partnerships for new infrastructure like an all season road or fibre optic cable. Public-private partnerships were thought to represent an opportunity to develop infrastructure more efficiently.

The use of pre-fabricated buildings for new infrastructure rather than constructing new buildings onsite was suggested as an opportunity to save costs. Some suggested reducing the need for new infrastructure investments by making use of similar existing facilities that are not used to capacity, such as existing addictions treatment centres.

Other participants noted that any new infrastructure investments should be well thought out and evaluated in a holistic manner. Norman Wells' participants noted that while there is a new health facility under construction, concern over staffing remains. In this case, the money may be better spent on bringing permanent health care staff to the community instead. A participant in Hay River noted:

> *"When you've got a renovation worth 38 million on a high school that doesn't include one more teacher, one more program or any support for special needs, I think [the money] could be better used."*

A participant in another community suggested that any new investment in capital should be funded through savings in the operations budgets of the line department for which the capital would be built, which would allow that department to allocate the money where they see most need, and encourage savings in operations budgets. One submission noted that given current fiscal challenges, the territory cannot afford any large-scale infrastructure projects like the

Inuvik-Tuktoyaktuk road. Another participant commented that the GNWT should not be investing in major infrastructure such as roads that are primarily for major resource development projects.

Finally, many participants noted that costs could be reduced in new infrastructure by investing more in maintenance of existing infrastructure. It was suggested that it is more cost-effective to maintain existing facilities or refurbish existing ones, rather than investing in new infrastructure.

> *"Everyone wants new facilities, but we should really see if we can make the most of our existing infrastructure before investing in new projects."*

Operation and Maintenance of Existing Infrastructure

Although many participants emphasized the importance of investing in the maintenance of existing infrastructure, some ideas were also received for cutting costs in maintenance and operation of existing infrastructure, which centred on the importance of investing early and continuously in preventative maintenance. Such investments reduce the need for major repairs or replacement and extend the life span of facilities, also reducing overall costs. Some concerns were raised that the GNWT is facing a major deficit in infrastructure maintenance.

> *"A few years back, maintenance budgets were cut. Now, things are falling apart and major repairs are needed. A little basic maintenance over the long haul would reduce spending a lot."*

Other Ideas

While the cost reduction discussion focussed on specific program areas, some participants indicated that there are also efficiencies to be found in how the government operates. The size of the civil service, rates of pay for summer students, and the number of MLAs were identified as areas with the potential for savings. One submission suggested the GNWT should bring salaries earned by GNWT employees more in line with salaries earned in the private sector by employees in similar positions. The size of the GNWT bureaucracy was an issue for some.

> *"We are just moving money around here. The GNWT needs to think more like a business. The size of the government bureaucracy seems irrational to me."*

It was also suggested that the GNWT is too 'top-heavy', that is, there are too many managers and other senior staff in proportion to the number of persons performing work and that instead money should be invested in people who deliver services and deal directly with the public. Several examples were given where the ratio of managers to staff was nearly one to one, or even exceeded that:

> *"Eliminate all manager positions that are supervising fewer than four staff. Eliminate all director positions that are supervising fewer than six staff."*

One participant suggested an ombudsperson is required for public servants. They suggested that many government employees are very well compensated compared to similar positions in the South but are not performing to an acceptable level of productivity and client service. A submission stated the concern that any reduction of public service jobs would impact program delivery; therefore, advocated for no reduction in public service positions.

One submission proposed that a 'cost-saving/efficiency position' be created where GNWT staff can provide suggestions for savings anonymously and with no fear of retribution. Independence of such a position from departmental or political influence was emphasized.

Other ideas for reducing costs of government operations included prohibiting personal use of GNWT vehicles both during work hours and after work. A few participants agreed that departments should be discouraged from producing unnecessary promotional products like shirts and pens, particularly in areas where raising public awareness through promotional products is not necessary to the success of the program.

One submission noted inefficiencies in procurement processes where consensus on desired output was not reached before the beginning of a project, resulting in doing work a second time and a single product for the price of two. A solution to this would be more scrutiny of the tendering or RFP process and having a post mortem, where a third impartial party could analyze what worked and what didn't in order to improve the spending process.

Conversely, some suggestions were for raising taxes, rather than or to complement finding efficiencies in spending. The revenue raising ideas proposed included personal, corporate, sales taxes, as well as increased resource rents.

> *"Raise corporate and personal income tax rates to be more in line with provincial rates, and get a greater share of taxes from high income earners."*

Other participants were not keen on raising existing taxes and saw increasing economic development as the means to raise revenues by growing the tax base.

C. Perspectives on Approaches to Finding Efficiencies

Participants in each meeting were asked how they felt about making choices about where to look for efficiencies. Some participants noted the difficulty of the task, and emphasized the need for a systematic and informed approach to finding efficiencies. Some participants also stressed the need to overcome existing barriers to finding efficiencies, while others emphasized the need for open communication throughout the process.

Several suggestions for a systematic review of programs and services were given. It was noted that looking for efficiencies goes hand in hand with evaluating effectiveness of programs, finding ways to reduce spending on areas that are not effective, or improve effectiveness in the areas in which the government is spending. One submission suggested:

> *"The GNWT can operate more efficiently by conducting a review of the programs and services it offers, with the intention of improving the programs which are operating effectively and eliminating the programs which are not."*

One submission pointed out that some programs such as the medical travel program had already been reviewed and that no changes or improvements appear to have resulted from the review.

Another participant proposed that departments should have to set measurable targets and report back on their performance, and if targets are not being met then changes or cuts would be implemented. One participant suggested that the GNWT needs an Auditor General to independently review and critique departmental spending and outcomes and make recommendations about what could be changed or cut.

Some participants advocated for creativity to finding efficiencies. An example was given from Norman Wells, where the community had trouble hiring an X-Ray technician, so they trained a local person to do it. Participants also spoke about engaging employees, and businesses in the process to find out how they control costs, as well as looking to other jurisdictions for ideas of what worked elsewhere.

A few participants and submissions advocated for across the board percentage-based cuts that could be implemented directly by departments, who were in the best position to evaluate program effectiveness.

There was conversation about some inherent disincentives that may exist to finding efficiencies in the way government is organized or manages its budgets. It was noted that when departments have little flexibility to allocate funding, their ability to create efficiencies is constrained. There is a need to give more room to transfer money were it is needed in a timely way in departments and across government.

> *"In health care, there is money set aside for doctors, but you can't spend it on midwives or nurse practitioners. The same thing happens in education, there is no flexibility within departments."*

Some noted the incentive for departments to spend their budgets rather than surplus any savings at the end of the year. Concern over protecting positions and person-years in a

department or program was seen as a disincentive for managers making changes to programming.

> *"I think of how [departments] have to blow their whole budget so that they get the same numbers later on. How does that incentivize you to be more efficient?"*

One suggestion to counter this incentive was to allow departments able to deliver programs and services at lower than expected cost, to hold on to the savings and roll them into their budgets for the next year. This would provide appropriate incentives for departments to continually look for better ways to deliver programs and services.

Finally, it was also noted that any changes to budgets, programs and services should be well-communicated to community and Aboriginal governments so they can prepare for what comes next and/or find ways to make up the difference.

> *"Don't pull the rug out from under us. Work with us. Talk to us to find out what programs and services are most important to us, and how we might be able to work together to find solutions."*

D. Reinvestment in Priorities

Budget Dialogue 2012 emphasized 'living within our means' and using existing resources to invest in priorities. After identifying opportunities for cost savings, participants were asked to reinvest the resources in what they saw as priorities. Often the programs where participants saw opportunities to reduce costs were the same programs where they reinvested the resources. Participants explained that cutting from a program does not mean it is not a priority, but instead there is a better way of doing things within that program.

Many participants emphasized their priorities were for investments in preventing some of the individual and societal ills that were driving the need for programs to address these issues. Participants emphasized that investments in some programs would lead to savings in other areas over the long term.

Health

Investment in treatment programs for addictions and mental illness were often cited as priorities in the area of health. It was repeatedly emphasized that addictions affect the whole community and increase costs in other government programs.

> *"People suffering from addictions can't access programs and services. They suffer from chronic health problems stemming from their addictions. Over 70% of RCMP calls are alcohol related. People are going to prison because of their addictions. We need to stop problems like this from happening at their source."*

> *"When you look at government in Yellowknife, they're supposed to be stable. If people were healthy, if this was a healthy community, there would have been a room full of people here talking and discussing their concerns but we need to build healthier communities with healthy people." [Translation from Tłı̨chǫ]*

Some saw one central addictions facility as the preferred approach while others advocated for regional treatment centres for addictions and mental illness.

> *"We need a northern based addictions treatment centre that is fully staffed by competent addictions counsellors and we need addictions counsellors in the communities to assist addicts and their families in facing social problems created by addictions."*

Some participants also noted that two facilities already exist in the territory and are underutilized due to lack of staff; any new investment in facilities should be evaluated in light of that. Some cautioned against investing in infrastructure rather than people to provide services:

> *"People deliver results, not buildings or bridges. If you don't put people on the front line to deliver programs, you can spend as much money as you want on buildings, but you end up having less impact for the money spent."*

Some participants saw preventative health programming as a priority; pre-diabetic programs were cited as one example. One participant observed that, in their personal experience, the quality of life of people with chronic conditions can be drastically improved with services such as physiotherapy, but often those individuals have no access because they are not "sick enough"; by the time they qualify, the cost to the system is higher.

Investment in community-based maternal care, including employment of midwives, was also often mentioned. It was suggested that replacing the need to travel to Yellowknife in advance of delivery allows women to remain in their family environment and their support group. Pre-natal and early childhood health programs were identified as important areas for investment.

As part of the discussion on reducing health costs by relying less on locums to provide care, several participants saw investments in recruitment and retention of qualified staff in the North as a priority.

Education (K-12)

Education was a priority in most groups and submissions for investment. Many groups felt that education is pivotal to preventing a variety of social and health problems and reducing pressure on other government spending, as it improves outcomes and opportunities throughout someone's life. Education is seen as an investment in a more educated workforce, and better social and health outcomes.

> *"What we really need to focus on is taking some of these dollars and reapplying them to supporting people in learning how to take care of themselves. People survived here in the bush their whole lives ... I'd like to see more dollars moved from health to education, educating people to realize that we are responsible for ourselves. We can't expect government to do everything for us."*

> *"I think there are a lot of efficiencies that could be found between education and social programs. I took dollars from social programs and reinvested them in both levels of the education system because I think education is the key to supporting people who are in the education system so they don't end up in the social programs."*

Participants had specific recommendations on where spending should be focused, such as early childhood education, and they also had ideas for improvement through changes to curriculum and approaches to teaching.

Several discussions focussed on increasing investment in early childhood education. An investment in early childhood education, it was suggested, will prepare youth for all of the challenges that lie ahead.

> *"Every dollar spent on early childhood education saves seven dollars in other areas down the road."*

Another participant proposed that the GNWT should support school breakfast programs which are currently being provided by volunteers and paid for through fundraising.

Several people observed that too many students are not getting their education completed during grade school, and have to complete their education as adults. Several obstacles to completion were noted, including the poor attendance and the disproportionate amount of "first generation learners" in the NWT. Participants wanted to see more support for interagency boards and groups, to look at why students are or are not graduating, and bring kids back to the school system who have "fallen through the cracks."

At several meetings it was suggested that the GNWT should include trades in the high school curriculum, and introduce new programs like driver's education. Participants felt that such training would better prepare students for the opportunities that are available in their communities. Some discussants also noted that any investment in technology infrastructure will require technical support to look after it, therefore, some curriculum surrounding such technology would not only benefit students but also communities.

Some participants suggested that providing dedicated budgets for arts, music and culture programming in the schools would improve educational outcomes, encourage creativity and support strong identity. One participant noted that providing a more holistic approach to education would reduce the need for upgrading after high school, reduce the cost of adult education, and social and justice programs.

> *"We can improve, instead of putting our kids back through school three or four times, which is costing us money and start investing in things like music. It's going to improve their behaviour. It's going to help them in their health, the way they think and comprehend."*

> *"If we look at more progressive cultures we see that education involves a lot of other things at the same time. I feel like a lot of times young men are coming through the education system and they are not fitting in to the K to 12 system. We say, okay get to grade 12 and then get a trade, but I don't think they are going to get to grade 12."*

The role of Elders in education was also mentioned, to help integrate what worked in the past into our new knowledge and technologies. Including the history of residential schools and colonization in the school curriculum was supported as a method to improve outcomes.

Finally, a participant cautioned about too much investment for new programming at the expense of core needs that already exist, noting that for children with disabilities, there is a need to support them early and throughout their education:

> *"I appreciate and understand the need for investing in early childhood, but there's also a drastic reality within the education system right now for inclusive schooling and it's huge and its great and it can't be neglected."*

It was also suggested that budgets should be expanded in some existing areas to save costs in the long run, such as learning disability assessments. A parent noted that their child was recommended for a learning disability assessment, but didn't make the priority list, so is left waiting for next year or the year after when he will finally be a priority, which may be too late, costing the system more money in the end.

Education (Post-Secondary)

Priorities for investment in post-secondary education focussed on ways to improve post-secondary student success in completing studies and in gaining employment upon completion.

Some suggested that the GNWT should find ways to allow people to upgrade their skills and pursue education opportunities without needing to leave their communities and/or jobs. Specifically, some wanted to see Aurora College use the internet more to make on-line post-secondary education available in small communities.

In one meeting, the lack of acceptable child care was seen as a major hurdle to pursuing or completing post-secondary education. Participants noted that either there is no childcare available, or the cost of it is too expensive, or both.

> *"Our students don't have a place for their children to be. We lose our students. This is a huge loss."*

A proposal was made for an early childhood development education program at Aurora College, including an on-campus childcare facility. Such an approach would both increase the supply of early childhood professionals in the NWT, provide an opportunity for students in the program to gain practical experience at the childcare facility at the College and would benefit other students who could receive free or inexpensive childcare on campus.

One submission supported increased investment in both basic and post-secondary education, emphasizing the plight of stronger students.

> *"Our strong students receive inadequate support - it was a terrible shame that the scholarships were cut for Masters and PHD students - so few of these in the NWT and so little recognition."*

It was noted that a stronger link between education and employment opportunities in the NWT would also improve student outcomes. One participant indicated that young people get educations but don't return to their community because there is no "room" for them there.

> *"We don't need mathematicians and physicists. We need plumbers and welders. Schools should prepare students to take advantage of the opportunities we have available."*

> *"There's no niche in the community for the skills that people have been trained for. We need to tell young people about what job opportunities actually are here in the community."*

Participants emphasized training programs for careers in health care to help meet the need for qualified professionals communities.

> *"If we want permanent health care workers in our communities, we need to train the people in our communities to become health care workers."*

Social Programs, Housing and Income Support

Priority investments in social programs focussed on improving housing conditions and supports for vulnerable groups.

Affordable and adequate housing was seen by some participants as a priority for reinvestment of savings. Some participants noted that housing in many communities is inadequate and even unhealthy, and it affects the health of a community. Another participant highlighted that affordable housing is an issue in the NWT and is a barrier to recruitment and retention of qualified people and, in particular, to getting Northern students to come back to work in the NWT once they are finished their studies.

Investments in programs to encourage people to seek employment were also a priority for some. More gradual rent increases for people on income support were seen as an opportunity to reduce the burden of reporting income and provide incentives to work. One participant suggested looking at "workfare" models, like the one used in New Brunswick, that require workers to perform community service or engage in education or training to receive support.

Suggestions were also made for increasing investment in supporting persons with disabilities, victims of violence, and men. Specifically, a need was identified for more anti-violence programs and more adequate funding for women's shelters.

One participant who was a parent of a disabled child advocated for investment in programs for persons with disabilities; without adequate support, families may choose to move South. The participant noted that while persons with disabilities represent 11 per cent of the population, the investment would affect 53 per cent of the population directly, including family and those who provide care to disabled people.

> *"When you are looking at things like people in communities with disabilities, failure to have access to services is an issue. The amount of money that is spent sending people continuously more South and out of their communities could be reinvested in keeping people in their communities."*

Another participant pointed out that there is a lack of social services and support for issues regarding men and would want to see more focus and investment in this area.

> *"50 per cent of the population here are men and 51 per cent are aboriginal men, so it would be nice to see a bit of value placed there."*

Justice and Public Safety

Discussions emphasized the interdependent nature of spending on justice and outcomes from other programing, and suggested investments directed at education, addictions and mental health would decrease costs in justice.

Priorities in justice and public safety focused on rehabilitation and reintegration of persons into communities after contact with the justice system. Participants wanted more focus on rehabilitation to make sure that people who exit the justice system are better prepared to become fully contributing members of their communities. The enabling role of traditional healing in the rehabilitation process was suggested:

"Traditional healers in jail changes the core of why people are there."

"An increase in healers needs to be addressed on all levels: justice, health, education."

One participant suggested that access to education during incarceration should be increased, making people readier to contribute to their communities once they are done. Another person noted that inadequate post-incarceration services put offenders at greater risk of re-offending and going back into the system, which costs much more.

Noting the expense involved in keeping someone in jail, a suggestion was made to invest more into alternative justice programing:

"We should as much as possible be looking for alternatives... not to putting more people in jail for longer but looking at how do you actually keep people out of jail or from coming back. One thing I think we'd be better putting more into [is] community-based or restorative justice or any other initiatives to keep people out of jail."

Proposals for alternatives to incarceration included implementation of more restorative circles at the community level and to have inmates live on the land somewhere where they could learn to live a better, healthier lifestyle, while gaining skills.

Another participant emphasized the urgent need to invest in ensuring an RCMP presence in every community of the NWT.

"The lives of women in those communities has been unacceptably risky. I don't think that most people in Yellowknife understand what it's like to not have something so basic as a police officer when someone is committing a crime against you."

Another participant saw a review of the current policy and practices of the domestic violence, custody access, maintenance enforcement, child welfare and office of the children's lawyer courts, as priorities.

Community Government Support

Some suggestions were put forth for improving support to community governments through adequacy and allocation of funding and prioritization of recreation and other programing. One participant took issue with current funding formula allocation for communities.

"We know there is a problem with formula funding to communities. They [GNWT] know the formula is flawed and it takes too much time to fix it."

Other recommendations focussed on how investment in sport and recreation, and other programming at the community level can play a key role in prevention. It was noted that sports and recreation prepare youth for the future and will reduce spending in other areas.

"If you're providing good recreation and family programs in your community, there would be fewer people in jail."

"How many years has the sportsplex been closed and nothing has been done. I know the friendship centre is trying to do some stuff for youth at the community level, but that is not enough. They're scrambling elsewhere for funding, and hiring local kids. I wish you'd take this into consideration and invest in a rec facility."

"If we have a healthy population that is more fit, we'd spend less money in health and in the justice system. It doesn't have to be competitive sport. More investment in trails, walking programs, larger buildings... there are creative ways to get people more active on a daily basis."

Participants called for more investment in volunteers because sports, recreation and other community programs that promote healthy living would not happen without them.

Culture and Heritage

Culture programing received varying emphasis in different sessions, probably because of how it was viewed by participants. In all sessions besides Yellowknife, culture and heritage tended to be viewed in the context of values and beliefs of Northerners whereas in Yellowknife participants discussed the value of culture and heritage primarily in terms of how the arts contribute to the NWT economy and social well-being.

While participants provided different examples and details for their choice, the theme that emerged was that culture and heritage are part of wellness. In Yellowknife, specifically some participants felt that this program area is currently underfunded. If supported, they felt these program areas could strengthen identity and wellbeing and, as a result, reduce the overall burden on social and justice programs. One participant thought some money from health could be reinvested into culture and heritage in recognition of its contribution to mental health:

"I feel like a healthy society and a healthy community invests strongly in the arts, in culture and heritage. I feel particularly mental and other types of health issues are affected."

Some participants also saw investment in the arts as an opportunity to grow and diversify the NWT economy. In Yellowknife, some discussion centred on the film industry, currently part of economic development programming, and addressed in that section. However, beyond film, one participant spoke to the arts and the broader issue of the knowledge economy and the economic opportunities this presents for the NWT in the highly connected, virtual global economy:

"We have a unique art and culture in Canada that includes storytelling. These are things that have value and are sought after commodities."

Economic Development

Reinvestment in economic development was seen as a priority by some participants in many sessions, especially to improve the environment for local business, but also to support specific sectors where participants saw opportunities for growth and diversification.

Investment in economic development was characterized as one of the only programs with the potential to grow revenue for the GNWT and become self-sustaining. Additionally, some groups stressed the link between a strong economy, jobs and reduced costs in other program areas.

> *"If we had a better economy we wouldn't need as many social programs. Take the transitional rent supplement for example, if I had a better job, I wouldn't be applying for that."*

Several discussions included suggestions to foster economic development including investments to create an environment that is attractive to business, particularly small businesses.

> *"We need to give them a place to feel welcome and a place to do business. We need to reduce barriers."*

Barriers that need addressing include: simplifying processes, reducing taxes, improving transportation infrastructure, unsettled land claims, and providing incentives. Reducting the small business tax rate was proposed as an investment in the economy by encouraging business investment and ultimately increasing the tax base. One participant, who was a small business owner, said he preferred to see reinvestment of savings into providing tax reductions for small business:

> *"I kept my blocks. We're talking about spending money and shifting money, but there's been no talk about taxes. By keeping these blocks, I can invest in my community better than the government. I represent small business and government will see the long-term return on an investment in people like me."*

Participants in one region felt that the GNWT should engage northern contractors to revise the *Business Incentive Policy* (BIP).

> *"If the BIP was working, we would see local contractors getting more jobs, and that's not happening. We need to fix this, now."*

Particular sectors were named as priorities for investment, with a particular focus on diversification, including the arts sector, food production, and agriculture and manufacturing.

One participant felt that funding from justice and public safety could be reinvested in arts-related businesses across the North. In Yellowknife, there was strong support put forward by a few participants for investment in the NWT's film sector. This sector was seen as an opportunity to diversify the economy, provide employment and support tourism.

> *"Due to the nature of TV and motion picture production, funds invested in local productions in jurisdictions around the country have been proven to come back to the region many-fold."*

One participant saw a specific tax credit for the film industry as the key mechanism to stimulate more productions in the NWT, help grow the sector, and build a "cultural export" for the NWT.

Local food production and agriculture were suggested as diversification opportunities with the dual benefit of improving health. One participant wanted to see investment in a manufacturing economy.

Economic multipliers were cited to show that economic development money invested in non-renewable resource activity could be better invested in other ways. For example, they noted that employment generated through investment in repairs, maintenance and energy retrofits to existing housing represents 11 times the person years of employment of an equivalent investment in oil and gas extraction. Other sectors offering high employment returns included the arts, entertainment, education and recreation. On a similar vein, one submission made a suggestion on maximizing northern employment:

> *"GNWT should explore ways to discourage companies from performing only mining extraction jobs in the north and having their offices and ore refining tasks elsewhere."*

Operation and Maintenance of Existing Infrastructure

When discussion turned to infrastructure, many groups saw investing in maintenance of existing infrastructure as a priority. Participants saw early and continuous investments in maintenance as opportunities to extend the life of existing assets.

Speaking on a more preventative approach to maintenance, Fort Simpson noted concerns regarding shoreline erosion. They asked that GNWT take a proactive approach to solving this issue, before it became a major problem.

> *"We know the shoreline is eroding right now. But we still have people telling us that we have time to fix it. Why wait? Why not fix the problem now before something unexpected happens."*

It was noted that investing in proper maintenance of infrastructure will reduce costs that come with major repairs.

One participant who runs a transportation company indicated that he would be willing to pay a toll for using roads if those funds were used for maintenance. He explained that a well-maintained road—seasonal or otherwise—would offset the cost of paying a toll by reducing repairs and maintenance needed for his vehicles.

New Infrastructure

New infrastructure investments were supported for capital projects that would reduce costs in other programs, connect residents and improve opportunities for economic development.

> *"I would like to see the Government look strongly at prioritizing capital projects as it relates to infrastructure that will not only open the north to development, but also allow for some of our seasonally stranded residents to achieve their rightful*

position as partners in developing the north... I submit that it should almost be perceived as criminal if we were to spend this amount of money [1.4 billion annually] with nothing to show for it than a few jobs and a huge social infrastructure."

In discussing the right balance between infrastructure investment and spending on day to day operations of government, participants emphasized that any investment in new infrastructure needs to be strategic:

"We need to answer two questions before we consider any new infrastructure projects: Can it save money? Can it generate revenue?"

Some suggested that infrastructure investment is needed specifically in roads which would increase tourism and business development. Winter roads were considered essentially annual investments that melt away each year, and seasons are getting shorter and shorter. A permanent, all season road would require a significant initial investment but would pay off in the long run.

Improving transportation and power transmission infrastructure to the South was suggested as a way for the GNWT to reduce the cost of living and even create revenue from the commercial opportunities this creates to sell goods and services, as well as power.

Increased investment in technological infrastructure was repeatedly suggested, as most government departments depend on information and bandwidth. Sufficient bandwidth throughout the NWT would help support Telehealth, electronic medical records, distance learning, and reduce need for travel.

"We need more bandwidth to support data. Only then can we reduce medevacs; we can deal with specialists at [a] distance with this type of technology, but currently we don't have the backbone structure to be able to do that."

"Instead of bringing in medical people, we could be video conferencing with patients."

Energy retrofits for housing and other buildings and alternative energy, such as wind power, were used as examples of investments to reduce costs over the long term.

One submission put a priority on investing in infrastructure in population and service centres, such as Yellowknife, where the majority of the population lives, and even those who don't are frequent visitors or users of facilities, such as the hospital.

It was also suggested that the GNWT set aside a fixed amount of money annually for infrastructure that will enhance development opportunities in the North, and that the GNWT meet with the private sector to make a list of infrastructure that would meet these objectives and prioritize them in a manner that would ensure the public was informed. It was noted that such an approach would ensure buy-in from residents, and exploration of opportunities to develop P-3 strategies.

Other Priorities

Lowering the cost of living and making living in the NWT more attractive were the priorities of a number of participants. One participant noted that this should be a priority because population factors into revenues, both in taxes and transfer payments.

> *"As homeowners, we have an investment in NWT. The NWT gets my per capita dollar because I live here."*

Addressing the high power rates and high cost for other basic services were suggested as one way to do this. One participant cautioned that energy subsidies, such as the GNWT's subsidy to the NWT Power Corporation, are not sustainable because energy costs are not controllable and can create an expectation that can be hard to manage over the long term. Some concerns were raised with respect of the cost of the NWT Power Corporation and the cost of power generally in the NWT.

At one session, a participant wanted some of the savings reinvested into the Heritage Fund. In the Hay River session a participant suggested money should be saved into a surplus, rather than reinvesting it. This idea was picked up by others and a small "surplus" group emerged in the session that saw this as a priority.

BUDGET DIALOGUE 2012 NEXT STEPS

Budget Dialogue 2012 was an opportunity to talk to Northerners about the fiscal constraints facing the GNWT and hear their views on priorities in a limited budget. This report summarizes the results of the dialogue and will be used in the upcoming budget and future budget planning cycles.

Some themes and recommendations that have emerged from the dialogue are in areas already identified by the 17th Legislative Assembly as priorities. Some of these issues will be addressed in the 2013-14 Budget and others will be considered as the budget situation allows.

The dialogue results, especially the recommendations for improving effectiveness and efficiency, will be shared with all GNWT departments and departments will be asked to respond with work already underway in these areas, opportunities for future work, and timelines to complete new actions.

Next year, the Department of Finance will return to communities in Budget Dialogue 2013 to report back to Northerners on progress made to address what was heard in Budget Dialogue 2012 and to seek feedback on directions taken, including confirming that the actions taken match Northerners' priorities.

APPENDIX – MEETING MATERIALS

CURRENT GNWT PROGRAM SPENDING

TOTAL: $1,157,285,000
$26,760 per person

1) Health

($212 million - 18.3%; $4,901 per person)

- Hospitals
- Health Centres
- NWT Health Care Plan
- Extra health benefits for specific populations (Metis, seniors, diseases/conditions)
- Medical travel

2) Basic Education

($161 million - 13.9%; $3,711 per person)

- Day cares
- Schools (Kindergarten to Grade 12)

3) Post-High School and Adult Education and Employment

($56 million - 4.9%; $1,298 per person)

- Aurora College
- Aurora Research Institute
- Literacy programs
- Adult Literacy and Basic Education
- Support for NWT students going to college/university
- Training and certification of trades and occupations
- Career counselling, workshops, resource libraries and other services at ECE Service Centres

4) Culture and Heritage

($27 million - 2.3%; $623 per person)

- Libraries
- Community-based Aboriginal language literacy programs
- French-language programs
- Aboriginal language broadcasting
- Museums and Heritage Centres
- Archaeological research
- NWT Arts Council and support for cultural organizations
- National Aboriginal Day and other special community events

5) Environment

($52 million - 4.5%; $1,195 per person)

- Environmental protection from impacts of human and industrial activities
- Environmental assessments and water license permitting processes
- Climate change programs
- Energy conservation and alternative energy programs
- Assessment and monitoring of wildlife populations, habitat and health
- Forest management
- Forest fire fighting
- Land use planning
- Protected Areas
- Water Stewardship

6) Social Programs, Housing and Income Support

($196 million - 17%; $4,539 per person)

- Income Assistance
- NWT Child Benefit for poor families
- Seniors Home Heating Subsidy
- Community power rate subsidies (to Yellowknife levels)
- Public housing, rent supplements for the working poor, home ownership assistance
- Youth sports, youth centres, after school activity programs
- Prevention: addictions, tobacco, chronic illness, seniors, family violence
- Foster care, residential care, protective services
- Residential care for seniors and persons with disabilities
- Social workers, mental health & addictions workers
- Homecare
- Family violence shelters

7) Economic Development

($41 million - 3.5%; $947 per person)

- Operation of parks and other tourist attractions
- Marketing the NWT as a place to visit and invest
- Support for tourism operators and sport hunting outfitters
- Planning, communications, and community support for oil and gas development in Mackenzie Valley (incl. contributions to Aboriginal Pipeline Group)
- Negotiation of Socio-Economic Agreements with Industry
- NWT Geoscience Office; promoting non-renewable resource development
- Business Incentive Policy (BIP)
- Support for trappers, hunters and trappers associations, local wildlife committees, fisheries
- Community-based economic development (Community Futures Development Corporations, loans, business assistance and counselling, wage subsidies for starting business, Economic Development Officers)
- Energy policy and advancement of alternative energy

8) Community Government Support

($78 million - 6.7%; $1,794 per person)

- Funding for communities to provide municipal services, water and sewer, and recreation
- Training and resources for community government staff and elected representatives
- Assistant Fire Marshals
- Regional Lands staff
- Seniors Recreation Officers

9) Justice and Public Safety

($98 million - 8.5%; $2,262 per person)

- RCMP contract policing
- Courts
- Adult jails and youth correctional facilities
- Supervising offenders sentenced to community-based orders
- Alternative community-based justice programs (eg. Community Justice Committees)
- Victims Assistance Support and protection against family violence
- Enforcement of child support and other support payments
- Children's Lawyer to represent children in legal issues
- Legal aid
- Fire safety (including inspections)
- Emergency management, including search and rescue planning
- Consumer complaints and licensing of businesses

10) Operation and maintenance of existing Infrastructure

($118 million - 10.2%; $2,730 per person)

- 27 airports
- All-weather and winter roads
- Ferries
- Community access roads and some community marine infrastructure
- Government buildings and other infrastructure (including hospitals, housing, schools, etc.)

11) Investment in New Infrastructure

($119 million - 10.3%; $2,760 per person)

- Housing
- Community infrastructure
- Hospitals and Health Centres
- Schools
- Airports and Runways
- Highways and Roads
- Ferries
- Parks